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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/679,186	10/03/2000	Jay S. Walker	00-033	7415

22927 7590 12/30/2004

WALKER DIGITAL
FIVE HIGH RIDGE PARK
STAMFORD, CT 06905

EXAMINER	
NGUYEN, BINH AN DUC	
ART UNIT	**PAPER NUMBER**
3713	

DATE MAILED: 12/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/679,186	WALKER ET AL.	
	Examiner	Art Unit	
	Binh-An D. Nguyen	3713	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *13 October 2004* .

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *40-74* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *40-74* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other:

DETAILED ACTION

1. The Amendment filed October 13, 2004 has been received. According to the Amendment, with respect to the last Non-Final Rejection sent May 14, 2003, claims 1-39 have been canceled; and new claims 40-74 have been added. Currently, claims 40-74 are pending in the application.

Note, applicant's remark regarding none distinct invention for new claims 40-74 filed June 1, 2004, has been found persuasive. Claims 40-74 are hereby examined on the merit.

Acknowledgment has been made.

2. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

3. Claims 73 and 74 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological arts; and

(2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as

opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, the limitations claimed in claims 73 and 74 are mere abstract ideas. The recited steps of merely obtain information about an item and determining a price of the item to arrange the item to a player does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the player. These steps only constitute an idea of how to provide an item to the player.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces a game event outcome (i.e. repeatable) used in determining and providing the item to the player (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 73 and 74 are deemed to be directed to non-statutory subject matter.

Note that, the Applicants are suggested to amend the claims by including means for providing a gaming process to obtain a game event outcome.

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

5. Claims 40-74 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rossides (5,620,182) in view of Grippo et al. (6,017,032).

Rossides teaches an apparatus and method for facilitating a transaction comprising: a processor; a storage device in communication with the processor and storing instructions adapted to perform the steps of: receiving from a player an indication associated with an item (16:11-15); determining a game event outcome associated with the player (13:33-35); and arranging for the player to receive the item based on information associated with the item and the game event outcome (16:26-29); the item comprises a product (e.g., items from vending a machine); wherein receiving the indication is from a player device (using computer network 16:40-54); indication includes an item identifier, an item price, a probability of the player receiving the item (12:2-19), a player identifier (13:33-35), and a game event identifier, an indication that the player is interested in purchasing the item; determining a payout amount associated with the game event (16:30-40); determining a game event outcome based on a received outcome (16:26-29); displaying a list of available items to the player (displaying products to players so he/she can make selection of what to be bought)(16:10-29); the game event is associated with a lottery provider and the player receives the item from a retail store where the item is offered for sale; wherein a seller arranges for the item to be provided to the player in exchange for payment of an amount based on the game event outcome (13:42-14:64); player provides payment in exchange for the game event before the indication is received; player provides payment in exchange for the game

event after the indication is received; player provides payment in exchange for the game event substantially the same time the indication is received (inputting value parameters in different order) (12:51-13:10); the indication is received the information associated with the item comprises an item cost (13:37-41); arranging for the player to receive the item based on information associated with the player; the game event outcome comprises a payout amount, and arranging for the player to receive the item further comprises transmitting a transaction request, including the payout amount, to a merchant device (transmitting bet amount and game outcome) (16:10-55); receiving a transaction response from the merchant device, wherein arranging step is performed based on the transaction response; converting a payout amount to an alternate currency associated with a merchant (6:59-67; 12:51-13:22); based on the information associated with the item, adjusting information associated with the game event in accordance with a predetermined formula (12:1-13:60); transmitting information enabling the item to be delivered to the player; transmitting information enabling the player to take possession of the item (15:36-16:41); wherein the information associated with the item or the game event are not displayed to the player (16:45-54); determining a probability that the item will be provided to the player (13:42-53); determining a price associated with the item, comparing the price to the payout amount (13:36-58), wherein the arranging step is performed if the price is within a predetermined range of the payout amount (14:44-60); displaying to the player a required wager amount; arranging for the merchant to receive payment in exchange for providing the item to the player (16:41-54); information associated with the item is incorporated into play of a game

associated with the game event; storing a player outcome database (storing transactions) (13:54-58; 14:61-67). See also Figures 1-16 and columns 1-50.

Note that, the limitation of a communication device coupled to the processor and adapted to communicate with a player device (claim 37) is inherently known from Rossides's computer network (16:41-49).

Rossides does not explicitly teach the limitations of: a scratch off lottery ticket; offering to provide a substitute item to the player, and arranging for the player to receive the substitute item based on the game event outcome; determining an excess payout amount to be provided to the player; and receiving from a player payment of a wager amount in exchange for a lottery ticket, and determining a payout amount associated with the lottery ticket.

Grippo et al., however, teaches a lottery game comprising determining an excess payout amount to be provided to the player (prizes, e.g., automobiles, boats, etc., may be awarded in addition to money; or receiving excess money for an award after processing fee); and receiving from a player payment of a wager amount in exchange for a lottery ticket, and determining a payout amount associated with the lottery ticket (4:15-5:45).

Note that, the limitations of offering to provide a substitute item to the player, and arranging for the player to receive the substitute item; game event is associated with a lottery provider and the player receives the item from a retail store where the item is offered for sale (claim 54) are notoriously well known, e.g., a store runs out of stock for a certain product and decided to offer customer a similar product and/or offering

customer a similar product with lower price for redeeming game credits; buying a product at the retail store upon exchanging money prize at that store.

Thus, it would have been obvious to a person of ordinary skill in the art at the time of the invention to combine Rossides 's apparatus and method for facilitating a transaction with Grippo et al.'s lottery game having variable rewards to come up with a better system and method which facilitate more attractive ways to provide lottery awards

6. Applicant's arguments filed November 26, 2003 with respect to claims 40-74 have been considered but are moot in view of the new ground(s) of rejection.

7. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Binh-An D. Nguyen whose telephone number is 571-272-4440. The examiner can normally be reached on Monday-Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Xuan Thai can be reached on 571-272-7147. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 872-9306 for regular communications and (703) 872-9306 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1148.

BN

XUAN M. THAI
PRIMARY EXAMINER
AU 3713